

Message Text

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70-S

ACTION EUR-25

INFO OCT-01 AF-10 EA-11 NEA-10 ISO-00 EB-11 FEA-02 SS-20

NSC-07 CIAE-00 INR-10 NSAE-00 RSC-01 TRSE-00 CIEP-02

L-03 DRC-01 /114 W

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R 111917Z APR 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9545

INFO AMEMBASSY PARIS

AMEMBASSY BONN

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY ABU DHABI

AMEMBASSY TOKYO

AMEMBASSY BEIRUT

USINT ALGIERS

USINT BAGHDAD

C O N F I D E N T I A L LONDON 04659

KUWAIT PASS DOHA

E.O. 11652: XGDS-1

TAGS: ENRG, UK

SUBJECT: SHELL AGREEMENT TO PAY QATAR 93 PER CENT OF
POSTED PRICE ON BUY BACK OIL

REF: LONDON 3622

1. HMG HAS CONFIRMED INDUSTRY REPORTS THAT SHELL HAS
AGREED TO PAY QATAR 93 PER CENT OF POSTED PRICE FOR BUY
BACK OIL PURCHASED UNDER RECENT 60-40 PER CENT
PARTICIPATION AGREEMENT.

2. UK OFFICIALS ARE CLEARLY EMBARRASSED BY SHELL DEAL IN
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FACE OF HMG'S STRENUOUS OBJECTION TO MAJORS "PREMATURE"

INCREASE IN OIL TRANSFER PRICE TO COMPANY AFFILIATES
BASED ON EXPECTATION OF 60 PERCENT PARTICIPATION AT 93
PERCENT OF PP RETROACTIVE TO JANUARY 1, 1974. THEY NOTE
BY WAY OF MITIGATION THAT QUANTITY OF OIL INVOLVED IS
SMALL AND THIS IS PERHAPS "ONE-OFF" DEAL.

3. HMG OFFICIALS CONFIDE HOWEVER THAT IN REALITY ONLY
SAVING GRACE IS THAT ARRANGEMENT PROVIDES FOR NEGOTIATION
ON BUY BACK PRICE EVERY THREE MONTHS AND POSSIBILITY EXIST
FOR OBTAINING LOWER PRICE NEXT TIME AROUND. HMG PLANS TO
DISCUSS ARRANGEMENTS WITH SHELL IN GREATER DETAIL.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, EXPORTS, PRICE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X1
Errors: N/A
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Handling Restrictions: n/a
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Review Content Flags:
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30 JUN 2005

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Type: TE
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